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Rec DOGM 8/9/89 LMS

August 9, 1989

HAND DELIVERED

Mr. Lowell Braxton, Associate Director
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Lowell:

Plateau Resources plans to sell its Garfield County mineral properties, including its Tony M/Lucky Strike mine (File No. Act/017/001) and Frank M mine (File No. Act/017/017), to Nuclear Fuel Services, Inc. ("NFS"). We are enclosing signed transfer documents, including Reclamation Contracts, for each mine. The reclamation costs were reevaluated by Scott Johnson in May of this year. We are enclosing a copy of Scott's memorandum.

NFS proposes to provide surety for each project in the form of a cash deposit in the amount of the reclamation costs shown in Scott's memorandum. The cash is currently in escrow at Pruitt, Gushee & Fletcher and will be deposited with the Division when the transfers have been approved. NFS may eventually seek to change the form of the surety to a corporate bond or other acceptable form of surety and to reduce the amount of the surety on the Frank M in light of the limited area that has been disturbed.

The sale to NFS is contingent upon DOGM approval of the transfers and BOGM approval of the form and amount of the substitute sureties. We request, therefore, that DOGM review the permit transfers as expeditiously as possible and that the matters be brought before the Board at its August 24 meeting.

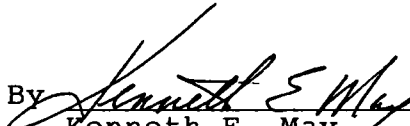
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We will be happy to answer any questions that you may have.

Very truly yours,

PLATEAU RESOURCES LIMITED

By


Kenneth E. May
General Manager

PRUITT, GUSHEE & FLETCHER,
Attorneys for Nuclear Fuel
Services, Inc.

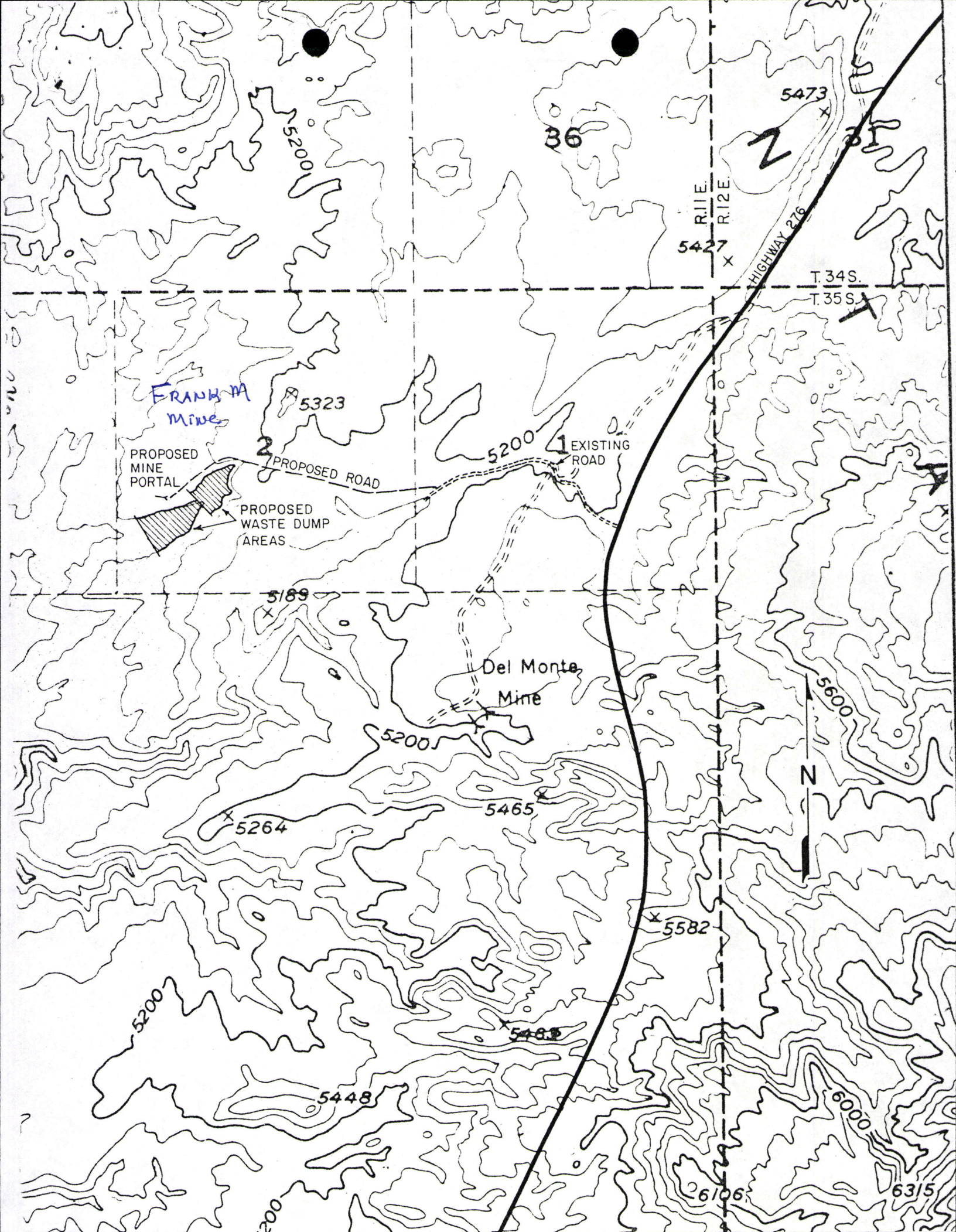
By

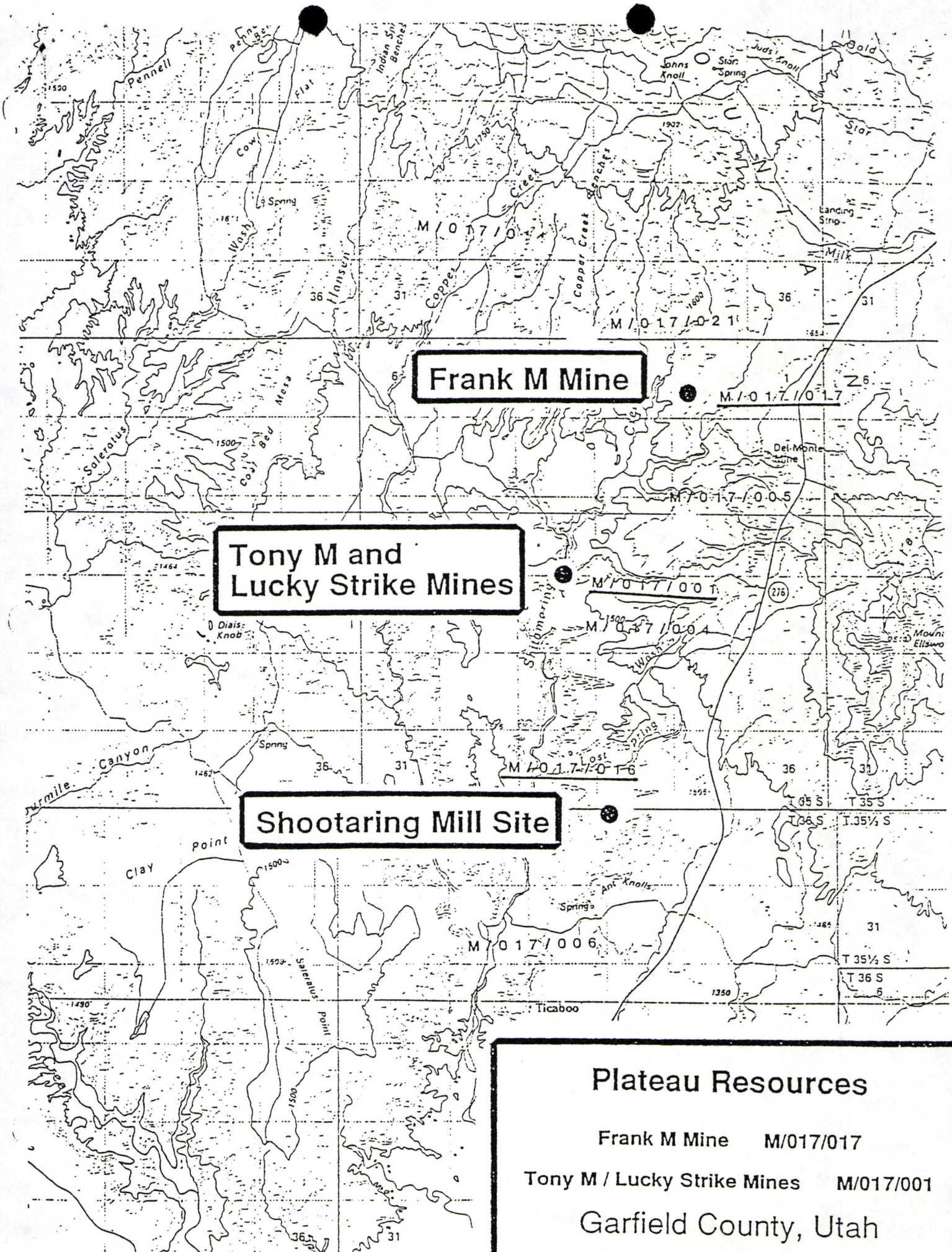

F. Alan Fletcher

Enc. A/S

cc: Dr. Dianne R. Nielson

(0224G)





Frank M Mine

Tony M and
Lucky Strike Mines

Shootaring Mill Site

Plateau Resources

Frank M Mine M/017/017

Tony M / Lucky Strike Mines M/017/001

Garfield County, Utah